

Major Budget Actions - Joint Conference Committee Report on Continuation, Expansion and Capital Budgets

FY2009-10 and FY2010-11, *Session Law 2009-451, Senate Bill 202*

1. Adjustments to Continuation Budget (\$74.4M) 09/10 (\$91.6M) 10/11

Major Items included:

- Salary Related Items (Holiday and Premium Pay, Workers Comp, Longevity, Temp Salaries, Overtime Pay)
- Medical Supplies
- Utilities increases and Lab Equipment
- Annualizing partially funded programs

2. Position Eliminations (\$12.9M) recurring

Approximately 350 positions to be eliminated

Special Provision 10.35A provides the Secretary flexibility in meeting the reduction; he does not have to cut exactly 350 positions, it may be a lesser number of eliminations but the money reduction must be met.

3. State Funded Services (\$40M) 09/10 (\$40M) 10/11 (Nonrecurring Reductions)

Special Provision 10.19A and House Bill 836 states that the Secretary has flexibility in meeting this budget reduction by “giving consideration to the LME’s unrestricted fund balance and the LME’s ability to supplement funding of services without impairing its financial stability”. Requires additional accounting of LME’s accumulation of fund balances and requires LME’s to report quarterly to DHHS.

4. CAP MR/DD Reductions (\$16M) Recurring

Reduction of Community Service Funds used to fund services for CAP-MR-DD recipients. Special Provision 10.21B prohibits LME’s community service funds from being spent on services for CAP MR/DD recipients except for services that are not funded within the CAP MR/DD waiver program. Those include: guardianship, room and board, and time-limited supplemental staffing to stabilize residential placements. Former Thomas S. recipients living in community placements may continue to receive state-funded services.

5. Non-Core Community Services Reduction (\$4M) Recurring

Reduces funding for services that not core to the mission of DMHDDSAS.

6. Reduce Community Support Services (\$65M) in FY2009/10 and (\$97.5M) in FY2010/11

Special Provision 10.68A directs DHHS to submit a new service definition for the case management and peer support components of Community Support and transition these services to other defined services by June 30, 2010. It also:

- Prohibits new service authorizations for community support group or individuals unless DHHS determines that more appropriate services are unavailable;
- Clarifies that no community support services shall be provided with other enhanced services, but that community support case management services may be provided for Level III and IV group home discharge planning;
- Extends the current moratorium on community support provider endorsements, and eliminates the paraprofessional level of service 60 days from the enactment of this act;
- Within 30 days of enactment, requires any concurrent request for service be accompanied with a discharge plan for the recipient, and failure to do so will result in denial of payment;
- Clarifies that a provider whose endorsement or Medicaid participation has been terminated is not entitled to payment while appeals are pending, but will be paid in full if the final agency decision is in favor of the provider;
- Requires that community support providers who go out of business must provide 30 days advance written notification to the LME, recipients, and the prior authorization vendor, must maintain medical and financial records, and failure to comply will result in suspension of further payment and denial of enrollment in Medicaid or other State-funded service.

7. Consolidate Case Management (\$41M) in FY2009/10 and (\$72.9M) in FY2010/11 – Recurring Reductions

Impacts case management services provided throughout DHHS. Section 10.68A (a) (10) directs DHHS to develop a comprehensive plan for the consolidation of case management services by December 1, 2009.

8. Reduce Group Homes (\$15.8M) in FY2009/10 and (\$22.5M) in FY2010/11 – Recurring Reductions

Section (a) (7) restructures child Medicaid residential group home services and lays out required transition plans for recipients into more appropriate care. Specifically, the provision directs DHHS to submit a revised service definition to CMS, reexamine entrance and continued stay criteria for all residential services, promoting the least restrictive services in the home prior to residential placement, and requiring community activities and parental or legal guardian participation in treatment, and require all existing providers or agencies to be nationally accredited within one year, giving preference for accredited providers for new placements, and requiring any newly enrolled providers to be subject to national accreditation standards.

Before a child is admitted to a Level III or Level IV group home:

- Placement must be a step down from a higher level placement,
- Multisystemic therapy or intensive in-home therapy has been unsuccessful,
- Alternatives for placement have been reviewed by the Child and Family team,
- Transition or discharge plan is submitted with the initial request;
- Limits length of stay to no more than 120 days, with exceptions;
- Requires submission of a discharge plan for all recipients;
- Requires providers to group home providers who go out of business must provide 30 days advance written notification to the LME, recipients, and the prior authorization vendor, must maintain medical and financial records, and failure to comply will result in suspension of further payment and denial of enrollment in Medicaid or other State-funded service;

DHHS must report on the plan for transitioning children out of Level III and IV group homes to the LOC by October 1, 2009.

9. Freeze CAP-MRDD slots (\$6.6M) in FY2009/10 and (\$7.2M) in FY2010/11 Recurring Reductions

Directs DHHS to submit an implementation plan for Tiers 1 through 4 of the CAP-MR/DD Program by April 1, 2010. The plan shall describe the implementation of Tiers 1 and 4 and the proposed implementation of Tiers 2 and 3, including the array and intensity level of services, the range of costs for each tier, and how the need for each level will be determined and assigned.

10. Non-Core State Operated Services Reduction (\$4.5M) Recurring

Special Provision 10.21C addresses the First Family Infant and Preschool Program (FIPP) operated within the Iverson Riddle Developmental Center. The FIPP program is directed to seek additional third party receipts, establish a sliding fee scale, and accept child care subsidies to offset general fund appropriations. Additionally, the Department shall take steps to incorporate the FIPP program with the Children's Developmental Services Agency for the age appropriate program within FIPP.

11. LME System Management Funds (\$3M) 09/10 (\$3.6M) 10/11

12. Crisis Services \$12M expansion

Special Provision 10.12 Provides a total of \$20.1 recurring funds for the purchase of community beds within local hospitals for psychiatric inpatient services.

13. Dorothea Dix Operations \$6M One-time Funds

14. Annualize Mobile Crisis Teams \$1M S.P. 10.12 appropriates \$5.7M for support of 30 mobile crisis teams.

15. Annualize START \$579,084 Recurring